NUEXCO

EXECUTIVE SUMMARY
REPORT 199
(All data as of February 28, 1985)

Exchange Value
$15.00, unchanged

The **Exchange Value** is **$15.00** per pound U_3O_8, unchanged since last month. Nine recent natural uranium sales are reported, involving approximately 2.1 million pounds U_3O_8 equivalent. Eight involved delivery prior to 1986, and six met the conditions for inclusion in the Transaction Value. Two additional transactions, totaling less than 50 thousand pounds U_3O_8 equivalent, involved enriched uranium.

Supply-Demand Ratio
fell to 2.3:1

Active spot and near-term **uranium supply** amounts to **5.3 million** pounds U_3O_8 equivalent, up 1.1 million pounds since last month. Active spot and near-term **uranium demand** totals **2.3 million** pounds, up 1.0 million pounds. The spot and near-term **supply-demand ratio** declined to **2.3:1.**

Transaction Value
fell to $15.70

The **Transaction Value** is **$15.70** per pound U_3O_8, down $0.50 since last month. The calculation includes 13 transactions involving a total of 2.3 million pounds U_3O_8 and equivalent UF_6, and covers a period of 4 months.

Loan Use Charge Rate
declined to 5%

The **Loan Use Charge Rate** fell to **5 percent** per annum.

Conversion Value
unchanged at $1.00

The **Conversion Value** is **$1.00** per pound U as UF_6, unchanged since last month. Two secondary market conversion transactions are reported, involving approximately 200,000 pounds U as UF_6. Active secondary market supply for conversion services for delivery within three years totals 300 thousand pounds U as UF_6. Active demand totals 255 thousand pounds U as UF_6.

SWU Values:
$102 for DOE-origin (FY85)
$20 discount for FY86
$80 for non-DOE origin
calendar year 1985
$88 for calendar year 1986

The **SWU Values** for DOE origin at .3 tails and certifiable as excess, are **$102** per SWU for FY85 delivery, and **$20** per SWU discount from DOE base price for FY86 delivery. SWU Values for other SWUs (non-DOE or non-certifiable) are **$80** per SWU for calendar year 1985 delivery, and **$88** per SWU for calendar year 1986 delivery. One secondary market SWU transaction is reported, involving less than 50 thousand SWUs.

Analysis & Commentary

Nuexco President Jim Vaughan, in a speech given at the Atomic Industrial Forum's Fuel Cycle Conference, concluded that the spot market has become an integral factor in the uranium market and that this tendency probably will continue as the market matures.

Canada

The Waterbury Lake Joint Venture partners have announced increased reserve estimates for the Cigar Lake uranium deposit.

United States

Legislation introduced into the House of Representatives would prohibit the importation of uranium or coal from South Africa, and would also restrict other aspects of nuclear trade.

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NUEXCO REPORT 199 FIGURES OF THE MONTH (February 28, 1985)	This Month (Report 199)	Last Month (Report 198)	12 Months Ago (Report 187)
Exchange Value[1]	15.00	15.00	17.50
Transaction Value[1]	15.70	16.20	22.50
Loan Use Charge Rate[2]	5%	6%	6%
Conversion Value[3]	1.00	1.00	0.30
Near-Term Uranium Supply[4]	5.3	4.2	5.9
Near-Term Uranium Demand[5]	2.3	1.3	1.3
Near-Term Supply-Demand Ratio	2.3	3.3	4.5
Recent Uranium Sales:			
Number of Transactions[6]	9	1	4
Quantity of Material[7]	2.1	0.1-0.3	1.5-3.0
Nuexco SWU Values:[8]			
DOE origin, certifiable as excess, 0.3 tails assay			
FY85 delivery	102	112	--
FY86 delivery	20[9]	15[9]	—
Other SWUs (non-DOE or non-certifiable)			
1985 delivery	80	80	—
1986 delivery	88	90	—
USDOE SWU Prices:			
USEC	135.00	135.00	135.00
AFC	153.00[10]	153.00[10]	138.65
Requirements	157.00[10]	157.00[10]	149.85
Market Value of Enriched UF_6[11, 12]:			
2.5 w/o U_{235}	481	506	532
3.0 w/o U_{235}	621	656	685
3.5 w/o U_{235}	765	808	841
4.0 w/o U_{235}	911	964	999

[1] US $ per pound U_3O_8 equivalent.
[2] Per annum.
[3] US $ per pound U as UF_6.
[4] Active inquiries to sell, for delivery within 12 months after contract signing (millions of pounds U_3O_8).
[5] Active inquiries to purchase, for delivery within 12 months after contract signing (millions of pounds U_3O_8).
[6] Uranium sales only; does not include loans, conversion, or SWU transactions.
[7] Millions of pounds U_3O_8, equivalent.
[8] US $ per SWU.
[9] Discount from USEC base price on delivery.
[10] Effective 10/1/84.
[11] Calculated using the Nuexco Exchange Value, Conversion Value, and 0.30 percent tails assay. From 10/31/83 through 2/29/84, calculations used the Nuexco SWU Value for DOE origin and FY84 delivery. As of 3/31/84, calculations use the Nuexco SWU Value for DOE origin and FY85 delivery.
[12] US $ per KgU as UF_6, rounded to the nearest $.

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